

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

**SUNDRY NOTICES AND REPORTS ON WELLS**

**Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

RECEIVED

AUG 14 2008

Farmington Field Office

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

**Black Hills Gas Resources, Inc.** c/o Mike Pippin LLC (Agent)

3a. Address

3104 N. Sullivan, Farmington, NM 87401

3b. Phone No. (include area code)

505-327-4573

4. Location of Well (Footage, Sec., T., R. M., or Survey Description)

1770' FNL & 944' FEL Unit H Sec. 11, T29N, R4W

5. Lease Serial No.

NM-18316

6. If Indian, Allottee or Tribe Name

RCVD AUG 19 '08

7. If Unit or CA/Agreement, Name and/or No.

OIL CONS. DIV.  
DIST. 3

8. Well Name and No.

Carson 29-04-11 No. 2

9. API Well No.

30-039-20649

10. Field and Pool, or Exploratory Area

Chosa Mesa Pictured Cliffs

AND

Rio Arriba County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other Plug Upper PC Lateral
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13 Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

In preparation to drill a lower PC lateral, Black Hills plans to plug the current upper PC lateral. The 4-1/2" liner in the lateral will be retrieved. Sufficient cmt will be pumped into the PC lateral to bring TOC in the 4-3/4" lateral hole to MD3770' as per the attached procedure. We plan to submit a lower PC lateral drilling program.

Permit

Name (Printed/Typed)

Mike Pippin

Title

Petroleum Engineer (Agent)

Signature

*Mike Pippin*

Date

August 14, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Original Signed: Stephen Mason

Title

Date

AUG 15 2008

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

NMOCD

# **Black Hills Gas Resources**

## **Procedure**

**For the**

**Carson 29-04-11 #2**

**API # 30-039-20649**

**SE NE Sec 11, T29N – R4W**

**Rio Arriba County, New Mexico**

<b>Surface casing:</b>	8 5/8" 24 lb/ft J-55 casing @ 237', TOC = Surf
<b>Intermediate casing:</b>	5 1/2", 17 & 15.5 lb/ft K-55 casing @ 8470', Plugged Back to PC Window @ 3705-3718, KOP = 3710'
<b>Current prod tubing:</b>	2 7/8" 8.7# N-80 PH-6 from 3692 to 6424' MD (Containing 5 pre-drilled joints of 8.7# 2 7/8" PH-6)
<b>Current pump/ rods:</b>	2 3/8" tbg w/ 3 1/2" MA @ 3681', 3/4" rods and 2 x 1 14 x 8 x 9 RHAC
<b>Production Zones:</b>	<b>Pictured Cliffs:      Upper Lateral 3710'-6424' MD</b>

**Proposed Work: Prepare well for dual lateral re-entry. Drill lower lateral. Complete lower lateral.**

### **Completion rig:**

1. Call WCI to help remove the ICI hydraulic pump jack.
2. POOH with rods and pump, have rods sent in for storage and the pump sent to CDI for re-build.
3. ND WH, NU BOP.
4. TOOH with 2 3/8" prod string and 3 1/2" MA. Have tubing sent to CAVE for inspection.
5. TIH with ON/OFF tool and 2 7/8" workstring. Latch on to ON/OFF tool.
6. Pull the 2 7/8" 7.9# PH-6 liner from the lateral section. (Lay down for storage to be re-run after the lower lateral has been drilled).

**If the liner cannot be pulled from the lateral proceed with steps 7 thru 13. If liner can be pulled, proceed to step # 14.**

7. *RIH with Wireline Specialties 2.25" gauge ring as deep as possible outside the window. (@ 3778' MD hole is at 36.5 deg inclination, @ 3826' MD the hole is at 63.7 deg inclination). The proposed KO point is 3826' MD.*
8. *RIH with chemical cutter and cut the 2 7/8" 7.9# PH-6 tubing as deep as possible outside the window. (A revised directional program may be required at that time)*
9. *TOOH with 2 7/8" workstring and cut off joint of 2 7/8" PH-6 tbg.*

10. *TIH with workstring and bent sub with a guide shoe on bottom, orient to go out of window as far as possible.*
11. *MIRU cementing company. Open casing valve. Mix 2 bbl (11.23 cu ft) cement and pump via the tbg. Drop a 2 7/8" rubber cement top plug and displace to the guide shoe. (11.23 cu ft equalized in the sump will give a TOC @ 3810' TVD)*
12. *Pull up to 10 stands to +/- 3250'. Swab the tubing dry, continue TOO H with the workstring. WOC.*
13. *TIH with workstring and bent sub, orient to go out of window as far as possible. Open casing valve. Pump enough cement to raise TOC in the 4 3/4" OH to 3770' MD. TOO H. WOC.*

**If the liner was pulled from the lateral in step # 6, continue from step # 14 below.**

14. *TIH with 2 7/8" workstring and bent sub. Trip in to +/- 3890' MD.*
  15. *MIRU cementing company. Open casing valve. Mix 2 bbl (11.23 cu ft) cement and pump via the tbg. Drop a 2 7/8" rubber cement top plug and displace to the guide shoe. (11.23 cu ft equalized in the sump will give a TOC @ 3810' TVD)*
  16. *Pull up to 10 stands to +/- 3250'. Swab the tubing dry, continue TOO H with the workstring. WOC.*
  17. *TIH with workstring and bent sub, orient to go out of window to TOC @ 3810' TVD (3842' MD). Open casing valve. Pump 1.5 bbl cement to raise TOC in the 4 3/4" OH to +/- 3770' MD. TOO H. WOC.*
  18. *Turn well over to drilling rig for the lower PC lateral.*
  19. *RDMO completion rig*
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